

CHAPTER 6

MISCELLANEOUS ACTIONS (SPECIAL ACTIONS)0601 UNEMPLOYMENT COMPENSATION FOR FEDERAL EMPLOYEES

★ 060101. General. The Secretary of Labor administers the Unemployment Compensation for federal Employees (UCFE) Program under 5 U.S.C. chapter 85 (reference (b)), and prescribes regulations necessary to carry out its provisions. See 20 C.F.R. Part 609 (reference (x)). Each DoD Component has responsibility for managing the UCFE program within that Component. The appropriate human resources organization (HRO) at all DoD employing activities has primary responsibility for UCFE management. The civilian payroll office has the responsibility to assist the HRO by providing wage data needed to complete the Department of Labor ES Form 931 (Request for Wage and Separation Information) and any other information within its control requested by a state, the Department of Labor, other federal agencies, or other DFAS offices. State employment security agencies determine entitlement to compensation and the amount of benefits payable to unemployed federal civilian employees under the applicable state unemployment insurance law. See 20 C.F.R. 609.9 (reference (x)).

060102. Civilian Payroll Office Responsibilities

★ A. The civilian payroll office shall report accurate wages to the HRO to support an accurate state determination. Monetary information that can affect the claim, such as lump-sum annual leave payments and severance pay, also must be accurately reported.

★ B. The state agency prepares an ES Form 931 from information gathered during the claimant's interview and the employee's copy of the SF 8 (Notice to Federal Employee About Unemployment Insurance). Three copies of the ES Form 931 are mailed to the appropriate HRO, and a response must be returned within four workdays after receipt.

★ 1. The DCPS provides a biweekly interface extract to support the Injury Compensation-Unemployment Compensation (IC/UC) application developed by the DoD Civilian Personnel Management Service (CPMS). The HRO staff uses this data in completing the ES Form 931. When requested, the civilian payroll office will provide additional information to the HROs for employees recently transferred to the DCPS. If pay information cannot be provided within the time limits, the civilian payroll office must notify the HRO immediately and the procedures in 20 C.F.R. 609.21(b) (reference (x)) must be followed.

★ 2. The central point of contact for all UCFE matters is the HRO. The civilian payroll office shall refer all state queries, telephone calls, and UCFE documentation to the HRO. For example, if a state wants clarification of wage data, the query must go to the HRO for control purposes. The HRO then shall contact the civilian payroll office for any additional information.

060103. Base-Period Wages and Annual Leave Information

★ A. Base-Period Wages. State agencies determine the amount and duration of unemployment compensation entitlement from the amount of federal employment performed and gross federal wages paid (or earned) in a 52-week base-period (1-year period specified by the state law) which precedes the date of claim. States require 6 or 8 quarters of information to be reported.

1. Federal wages are defined as allowances and pay in any medium (5 U.S.C. 8501) (reference (b)). This includes all payments for leave. Do not report lump-sum payments for annual leave and severance payments as base-period wages. These items are reported separately.

2. The amounts to be reported as base-period wages are gross wages before deductions for Social Security/Medicare, CSRS or FERS, TSP, and federal, state, and local taxes. Gross wages include allowances and pay in any medium. Do not include expenses for official business, such as taxi fares, other cost, per diem, or mileage. Also, do not include payments for uniform allowances. The following shall be included in gross wages:

a. Foreign and nonforeign differentials and allowances. Exemption from federal income tax does not exclude any such item from gross wages for the purposes of unemployment compensation.

b. Back Pay. This includes wages paid during the base-period, even though earned prior to that period.

★ c. Salaries paid by the Department to reemployed annuitants. This is the amount equal to the difference between the salary of the position and the annuity received. The annuity paid by the OPM is not “federal wages” for UCFE purposes.

d. Increases in rates of compensation authorized by acts of the Congress. Such increases shall be reported as wages for the pay period in which paid. This is required even if the first payment covers a retroactive period. If the base period begins or ends during the pay period in which this payment was made, the entire payment should be allocated to the second week of the pay period.

3. Report wages the same way the records are kept. Do not attempt to add or subtract wages earned by the employee for any days before the beginning of the quarter or the remaining days between the last payroll cutoff date and the end of the quarter. For example, if the pay period ends March 28, do not add March 29 through 31 to the wages reported for the January 1-March 31 quarter. Do not report wages for periods other than, or in addition to, those periods requested. If the claimant had no base-period wages, so indicate.

B. Lump-Sum Annual Leave and Severance Pay. Report these items separately from gross wages (base-period wages).

1. If the employee received a lump-sum payment for annual leave after the beginning date of the base period, furnish the following:

a. Amount of payment; date(s) of payment; amount of annual leave (days and hours); and period of annual leave (for example, from 0700, July 8, 1999, to 1400, July 23, 1999).

★ 2. If the employee receives or is entitled to receive severance pay, report the information to the HRO via the interface supporting IC-UC. States whose laws require an offset of severance pay against unemployment benefits must be advised whether the former employee is receiving or will receive severance pay. The state agency obtains severance pay details from the employee's copy of the SF 50 and/or the ES Form 931, if appropriate.

3. If annual leave is payable, but has not been paid, report "annual leave payment due, but not paid," and provide details (period covered, amount of payment, when it will be paid) if known.

★ 060104. Employees on LWOP. Upon the HRO's receipt of an ES Form 931, the nonpay status of an employee must be reported to the state agency. The HRO shall report the employee on LWOP from the starting date, through the ending date, and any other pertinent data. If the employee is in a nonpay status for more than 30 days, the SF 50 provides the LWOP information. For LWOP of 30 days or less, the biweekly interface extract provides this information to the HRO.

A. The HRO shall indicate whether employees on LWOP are awaiting OWCP for an on-the-job injury or disability retirement.

B. If an employee is awaiting an OWCP determination, the state agency is responsible for contacting the OWCP for any necessary data it needs.

060105. Back Pay Notification

A. If an employee is entitled to back pay, the HRO shall determine if the employee applied for UCFE within the last 52 weeks. If the employee applied for or received UCFE, the HRO shall promptly notify the state agency of the date of back pay payment, amount, and period covered. The state agency may be required to redetermine benefits. The HRO shall suspense its notification for state reply. If a reply is not received in 60 days, the HRO shall send a follow up. If no answer to the follow up is received from the state in 30 days, request assistance for resolution.

B. The Department will not deduct from the back pay the amount of UCFE paid during the period covered by the back pay. UCFE must be deducted from back pay awards however, when state law requires the employer, rather than the employee, to reimburse the state for overpayments and when appropriate, the state agency has determined that an overpayment has occurred and has notified the employing agency (65 Comp. Gen. 865 (1986)) (reference (p)).

060106. Obtaining Data from the National Personnel Records Center (NPRC)

A. How Obtained. If records necessary to furnish wage data to the HRO have been sent to the NPRC, they should be obtained via the telephone or facsimile. Since this information is subject to the Privacy Act of 1974 (reference (e)), it must be handled in accordance with the provisions of that Act. The NPRC gives priority to such requests. The request must:

1. Be addressed to the NPRC, Civilian Personnel Records, 111 Winnebago Street, St. Louis, Missouri 63118-4199.

2. Clearly identify the office sending the request.

★ 3. Read "Unemployment insurance request for wages for 4 calendar quarters, enter period as shown on the ES Form 931, and statement of reasons for separation for (last name, first name, and middle initial), (name under which employed, if different), (date of birth), and SSN."

B. Prohibited Actions. The HRO or civilian payroll office shall not send the ES Form 931 to the NPRC for completion. The state agency should not be asked to obtain data from the NPRC. State agencies shall be advised when the information is being requested.

C. Record Center Reply. A written reply will be received from the NPRC. The NPRC will mail a photocopy of the individual pay record to the civilian payroll office. The civilian payroll office shall furnish wage data to the HRO on the basis of data furnished in the NPRC reply. Upon receipt of the pay record, wage data furnished the HRO shall be compared with the pay record. If an error is discovered, the HRO shall be notified and it shall in turn notify the state agency.

0602 UNEMPLOYMENT INSURANCE FOR CANADIAN EMPLOYEES060201. The Canadian Unemployment Insurance Program

A. The U.S. Government takes part in the Canadian Unemployment Insurance Program for Canadians employed in Canada by the Department.

B. U.S. participation in this program began at the start of the first pay period after June 30, 1956.

C. The civilian payroll office shall follow the procedures in this section for unemployment insurance withholdings and contributions for covered employees.

D. Installations that employ or might employ personnel in Canada shall request the following publications from the nearest Unemployment Insurance Commission (UIC) Office:

1. 443C (Information Regarding the Bulk Payment Method of Making Contributions).

2. 651A (Workers Handbook on Unemployment Insurance).

3. 651B (Employer's Handbook on Unemployment Insurance).

If these publications are not available locally, copies may be requested from the Unemployment Insurance Commission Office, Vancouver, British Columbia, Canada.

060202. Policies Governing DoD Participation

A. Modifications. The civilian payroll office shall follow procedures in UIC 443C; however, the following requirements do not apply to the Department:

1. Standing deposit of one month's combined contribution;
2. Application to operate on a calendar year basis. DoD installations will operate on the basis of a payroll year which, for this purpose, will be a calendar year; and
3. Remittance of contributions and withholding by certified check.

B. Coverage

1. The civilian payroll office shall use UIC 651B to determine insurable employment and earnings for withholding. Exceptions are in item 2, below.

2. Contributions shall not be withheld for Canadian employees who are spouses of U.S. citizens employed by DoD Components and for U.S. civilians paid from appropriated and nonappropriated funds.

a. The Canadian employee must notify the civilian payroll office, through the HRO, of any change in marital status that affects insurability.

b. Deductions for Canadian Unemployment Insurance will stop at the end of the pay period in which notice of marriage is received.

c. Deductions shall start at the beginning of the next pay period after notice of divorce is received.

C. Refund of Deductions. If refund of deductions is required, DoD installations will refund only amounts totaling \$1 or more.

D. Retroactive Payments. The Department shall not make retroactive payments of deductions to the Canadian Unemployment Insurance Commission if the employee concerned

has not given true information to the employing installation. This includes cases that have been adjudicated.

E. Audit by the Canadian Unemployment Insurance Commission. DoD records of deductions, contributions, and remittances are subject to audit. The audit requirements can be met by sending copies of records of covered personnel and insurance remittance documents to the proper District Audit Office. The civilian payroll office shall send copies of records required by Canadian authorities on request.

060203. Amount of Contributions

A. Employee's Share. Funds shall be withheld from the pay of all insurable employees at rates set in UIC 651B.

B. Employer's Share. The employer's share shall equal the amount withheld from the employees' pay on each payroll voucher. The contribution shall be charged to the fund from which the employees' salaries are paid.

060204. Disposition of Contributions

A. Payroll Collection. The employee and employer contributions shall be made as a voucher deduction on the payroll voucher. For example, the accounting classification for the DoD civilian payroll offices will be deposit fund account 97X6875, "Suspense, Department of Defense."

B. Remittance to Canadian Unemployment Insurance Commission. The civilian payroll office shall request a bulk payment permit and information on deviation from remittance procedures from the Chief Coverage Officer, Unemployment Insurance Commission, Ottawa 1, Ontario, Canada. An SF 1049 (Public Voucher for Refunds) shall be used to make the biweekly remittance to the Commission from the deposit fund account --X6875.

0603 MASS TRANSFER OF PAY ACCOUNTS

060301. A mass transfer is the movement of a number of employee accounts from one civilian payroll office to another, and the losing civilian payroll office remains operational. Refer to section 0105 for procedures concerning DoD civilian payroll operations that are being disestablished in accordance with consolidation initiatives.

★ 060302. Requests for mass transfer or transfer of payroll function must be sent, with justification, to the Director, DFAS, via the major command or claimant. The Director, or designated official, must approve all such requests in writing. These actions may also be initiated by the Director to improve efficiency and economy of the payroll operation.

060303. Losing Civilian Payroll Office Responsibilities

★ A. The losing civilian payroll office affected by the mass transfer must notify all the affected parties receiving support (refer to the following list). It is recommended that these parties be notified at least 90 days in advance of the proposed transfer but not less than 30 days prior to the date of the actual transfer. Below is a list of affected parties:

★ 1. The HROs that provide support to the employees being transferred. The HROs are responsible for notifying labor organizations and professional associations.

2. Each IRS District to which payments for tax levies are remitted for employees affected by a mass transfer.

★ 3. The DFAS-Cleveland Center for employees with court-ordered garnishments. The DFAS-CL/L will notify each court to which alimony, child support, and bankruptcy payments are remitted for employees affected by the mass transfer.

★ 4. Other federal agencies (e.g., Department of Veterans Affairs or Department of Education) and DoD functional areas (e.g., travel, hospitals, etc.) for whom debts are being collected.

5. The Defense Manpower Data Center (DMDC).

6. State and local taxing authorities if the transfer closes out the account.

★ 7. The TSP recordkeeper at NFC by the TSP-19 (Transfer of Thrift Savings Plan Information between Agencies).

8. FEHB insurance carriers.

★ 9. CSRs.

★ 10. Disbursing office for SF 1195 data.

★ 11. The Department of Labor for ongoing OWCP cases.

★ 12. The employing activity that is responsible for notifying the employees, source data automation systems, and accounting activities of the transfer.

★ 13. Employees with debts being collected and employees with outstanding debt collection letters. Employees will be notified that debts are being transferred to new civilian payroll offices and be provided with a point of contact at the gaining civilian payroll office.

★ B. The losing civilian payroll office shall prepare employee substantiating document files as stated in subparagraphs 010504.B.1. through 4. Every effort shall be made to transfer data electronically through automated processes. Hard-copy documents, original or copy as

appropriate, shall be forwarded to the gaining civilian payroll office for the following even if the data has been transferred electronically:

- ★ 1. Indebtedness to the U.S. Government. Copies of all documentation to support current collections including all on going DoD and non-DoD debts with the unpaid balance of the debt on the transfer date and the remittance address.
- 2. Form 668-W. Forward the original IRS tax levy showing the unpaid balance on the transfer date.
- ★ 3. Court-Ordered Bankruptcy. Forward the original court order and addendum with balance due on the current order on the transfer date. Also, furnish a copy to DFAS-CL/L if there is a pending commercial garnishment.
- ★ 4. SF 1190. Advances of pay received by DoD civilian employees proceeding to or arriving at a post of assignment in a foreign area are authorized an advance of up to 3 months of gross pay. Provide a copy of the SF 1190 and the unpaid balance and biweekly deduction.
- 5. NAF 401k Authorizations. Forward a copy of the authorization that supports employee contributions to an NAF 401k plan allowable by the Portability of Benefits for NAF Employees Act (reference (e)).
- 6. Form TSP-1-NAF (TSP Election Form for Retroactive Contributions - NAF Employees). Forward a copy of the TSP-1-NAF for any employee who is currently making retroactive TSP contributions allowable by the Portability of Benefits for NAF Employees Act (reference (e)).
- ★ 7. SF 2806. Forward all hard-copy retirement records on file.
- 8. Form TSP-22. Forward a copy of all Forms TSP-22 that support TSP loan information.
- 9. SF 1150 and SF 1150A. Prepare an SF 1150 in accordance with “The Guide to Processing Personnel Actions,” subchapter 21 (reference (r)) to reflect all leave balances as of the end of the last pay period paid by the losing civilian payroll office. Prepare an SF 1150A for the transfer of donated leave. Forward the original of the SF 1150/1150A to the losing HRO to be included in the OPF and forwarded to the gaining HRO. After receipt in the gaining HRO, the SF 1150/1150A will be forwarded to the gaining civilian payroll office. File a copy in the employee's substantiating document file.
- ★ 10. Buy Back of Leave. Forward copies of documentation to support the buy back of leave.

11. OPM Form 1514. Forward all OPM Form 1514 information, including unpaid balance and biweekly deduction, to reestablish any unpaid balance on the day prior to transfer.

C. Complete Final Pay Period Processing. The losing civilian payroll office must complete processing for the last pay period for which it has responsibility for the employees affected by the mass transfer. Completion of these actions will allow the employee's records to contain the most current information.

1. Compute and process final salary and other payments. Prior to processing the final pay period, ensure that all time and attendance reports and all documentation from HROs have been processed.

2. Reconcile and clear/remit any deposit fund accounts for the employees affected by the mass transfer.

3. Produce SFs 2806/3100.

a. SFs 2806/3100 shall be forwarded to the OPM when the transfer is from one Component's to another Component's civilian payroll office, or from a Component's civilian payroll office to a DoD (code 97) civilian payroll office.

b. SFs 2806 shall be forwarded to the gaining civilian payroll office when the transfer is from a losing civilian payroll office within the same Component or between DoD (code 97) civilian payroll offices. SFs 3100 shall be forwarded to OPM.

★ 4. Bond balances shall be transferred and not refunded to the employees upon a transfer from one DoD civilian payroll office to another DoD civilian payroll office. Bond balances shall be refunded and not transferred when the transfer is outside the Department.

★ 5. Compensatory hours and religious compensatory hours shall be paid for all transfers from one DoD Component to another DoD Component. Credit hour balances shall be paid for all transfers from one employing activity to another employing activity.

★ 6. The losing civilian payroll office shall make any retroactive adjustments necessary for an employee previously paid by their office and send to the gaining civilian payroll office for payment/collection.

060304. Gaining Civilian Payroll Office Responsibilities. The gaining civilian payroll office shall establish employee substantiating document files with the employee's SSN and name.

★0604 DOUBTFUL OR QUESTIONABLE CLAIMS

★ 060401. General. The General Accounting Office Act of 1996, P.L. No. 104-316 (reference (e)) transferred the claims settlement functions previously performed by GAO to certain executive branch agencies. As specified in Volume 5 of this Regulation, claims are received on a continuing basis from present or former civilian employees for additional compensation for various reasons. All such claims must receive individual processing to determine administratively whether or not the employee is entitled to the amount claimed. If the claim relates to the determination of an entitlement or similar matter, which is the responsibility of the HRO, it should be negotiated and documented through the employing activity's personnel channels. If the matter remains unsettled and the employee wishes an OPM review, the civilian payroll office shall fully document the case, including the review processes, and forward the file to the DFAS-CO Directorate of Debt and Claims Management Office, Denver, Colorado.

060402. Procedures

A. Filing a Claim. Claims should be filed with the activity at which the individual was/is employed during the period for which additional compensation is claimed. The claim shall be fully documented and sent to the address identified in paragraph 060401 for all claims related to civilian pay matters which cannot be resolved at the base or major command/claimant level.

B. Processing Claims

★ 1. Approved Claims. Claims received by the civilian payroll office from the claimant may be approved and paid when there is no question of law or fact. Claims for pay under Title 5, U.S.C. (reference (b)) must be filed within 6 years of the date the right to payment accrued. Claims for overtime pay under the FLSA (reference (n)) filed on or before June 30, 1994, are also subject to the 6 year statute of limitations; those filed after that date are subject to a 2-year statute. See Comp. Gen. B-250051 and B-256938.2 (reference (p)) for additional information. Any claim received from the OPM, including those originally received by the offices identified in paragraph 060401 but forwarded to the OPM for approval, shall be acted upon in accordance with instructions in the letter transmitting the claim to the civilian payroll office. These claims shall be paid only at the direction of the OPM or the appropriate office identified in paragraph 060401. When payment is to be made by the civilian payroll office, the claim shall be paid as part of the regular payroll.

★ 2. Disapproved Claims. Claims not received through the OPM that are disapproved administratively by the civilian payroll office shall be returned to the claimant with a letter containing the basis for the disapproval. The claim shall be forwarded to OPM via the appropriate office identified in paragraph 060401 if the disapproval is appealed by the employee,

C. Documents. Generally, documents required to support a claim are:

1. A letter of transmittal prepared by the civilian payroll office, addressed to the appropriate office identified in paragraph 060401. The following shall be included:

- a. The claimant's name, SSN, address and agency;
 - b. A statement of the pertinent facts out of which the claim arose;
 - c. A statement of the doubt or other reason for forwarding the claim;
 - d. A recommendation for the proper disposition of the claim;
 - e. A citation to pertinent supporting documents;
 - ★ f. A statement that the claim has not been and will not be paid until certified in the name of the OPM;
 - g. A complete symbol citation to the applicable appropriation or fund.
2. A claim letter submitted by the claimant, legal representative, or other lawful claimant. The letter includes name, SSN, and address of the claimant.
3. The original and one copy of any supporting document. These documents include the following depending on the type of claim involved:
 - a. Any pertinent vouchers;
 - b. Any pertinent time and attendance reports;
 - c. Individual pay record;
 - d. Certified copy of the SF 1150;
 - e. Certified copies of the SF 50;
 - f. Transcript of service history;
 - g. Overtime authorizations;
 - h. Leave applications, doctor's statement, etc.;
 - i. Other required documents.
4. An unpaid voucher from the civilian payroll office, in original and the appropriate number of copies, for all cases when the amount may be due, including doubtful cases. One copy is kept on file. The appropriate federal, state, and local tax withholdings, life insurance, retirement, or Social Security and/or Medicare deductions are to be indicated in the appropriate places on the voucher. The employer's contributions to retirement, life insurance, and Social

Security and/or Medicare, etc. are also to be indicated. The complete accounting classification is to be included, whether the recommendation is for or against the claim.

5. If an attorney presents a claim for an employee, verification that he or she has authority to act for the employee, e.g., a copy of a signed fee agreement, a letter from the employee or a duly executed power of attorney.

★ 060403. Payment. Claims that have administratively been determined correct by the OPM are settled and paid by the civilian payroll office.

★ 060404. Claims Required To Be Submitted To OPM. The following classes of claims may not be paid or administratively denied, but must be forwarded to the OPM, Claims Adjudication Unit, Office of General Counsel, 1900 E Street NW, Washington, DC 20415. These claims are forwarded to OPM via the offices identified in paragraph 060401 for adjudication unless otherwise specifically provided by law.

★ A. Claims that involve doubtful questions of law or fact, except those under \$25, and claims that have been the subject of an advance decision by applicable authority, in which case, a reference to the decision must appear on the voucher supporting the payment. When a claim contains items that involve doubt, and items, which the DFAS Centers can settle administratively, only the doubtful portions over \$25 should be referred to OPM through DFAS-HQ for settlement.

★ B. Claims, regardless of doubt, which are required by statute, or by decision of applicable authority, to be settled by the OPM before payment is made or denied.

C. Reclaims of items previously denied in an administrative review by the DFAS Centers, unless it is determined administratively that the action taken was clearly in error and properly can be corrected by the DFAS Centers.

★ D. Claims that appear to be barred by the applicable statute of limitation at the time of receipt for administrative review by the DFAS Centers. If the statutory period of limitations will soon expire, claimants shall submit their claims directly to the Claims Division of OPM. In order to protect the interests of claimants, claims received as to which the right of payment accrued 4 years or more before the date of receipt and which cannot promptly be approved and paid in the full amount claimed shall immediately be referred to the Claims Division of the OPM. These claims shall be recorded in OPM, after which they shall be returned for payment, denial, or referral back to OPM for adjudication.

★ 060405. Advance Decisions. Requests for an advance decision from the Defense Office of Hearings and Appeals (DOHA) shall be processed as prescribed in Volume 5 of this Regulation. In addition to normal submission channels prescribed in Volume 5 of this Regulation, requests to the DOHA involving the determination of an entitlement or similar matter which is the responsibility of the HRO shall be negotiated and documented through the appropriate human resources channel.